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HOUSE APPROVES MEASURE TO ALLOW MEDICARE

TO NEGOTIATE FOR LOWER RX DRUG PRICES

WASHINGTON, D.C. –“ The U.S. House of Representatives approved a measure today to repeal the provision of the Medicare Prescription Drug Law that prohibits the Department of Health and Human Services (HHS) from using its purchasing power to negotiate with drug companies for lower drug prices for Medicare beneficiaries.

Seventh District Congressman Dave Obey (D-WI), the Chairman of the House Appropriations Committee, was a sponsor of the measure.

–“The law that created the Medicare Rx drug program includes a provision, sought by the big drug companies, that

prohibits

Medicare from negotiating with drug companies for lower drug prices," said Obey.

"The bill we passed today would repeal that gift to the big drug companies and allow Medicare to conduct cost-saving negotiations."

"The states, Fortune 500 companies, and large pharmacy chains all use their bargaining power to get lower prices for the patients they represent," Obey added. "HHS should be able to do the same thing for Medicare beneficiaries."

The bill passed by the House today would provide the Secretary of Health and Human Services wide discretion in how to best implement the negotiating authority and achieve price discounts for Medicare beneficiaries. The Administration has been opposed to this measure, but even President Bush's former HHS Secretary, Wisconsin's own Tommy Thompson, has said that he wished that he had had that authority.

